Texas Department of Insurance
Division of Workers' Compensation
Medical Fee Dispute Resolution, MS-48
7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1645
512-804-4000 telephone • 512-804-4811 fax • www.tdi.texas.gov

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name
Texas Health of Fort Worth

Respondent Name
City of Fort Worth

MFDR Tracking Number
M4-15-1355-01

Carrier's Austin Representative
Box Number 04

MFDR Date Received
January 5, 2015

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "HRA has been hired by Texas Health Fort Worth t audit their Workers Compensation claims. We have found in this audit that you have not paid what we determine is the correct allowable per the new fee schedule that took effect in March of 2008 for this outpatient surgery."

Amount in Dispute: $4,143.76

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "While HCP has provided a copy of the operative report, it does not support the code in question. Respondent has attached submission received by HCP to date and respectfully submits that denials have been appropriate."

Response Submitted by: CorVel

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
January 3, 2014	29827, 29824	$4,143.76	$4,143.76

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §133.210 defines medical documentation.
3. 28 Texas Administrative Code §134.403 sets out the reimbursement guidelines for outpatient facility services provided in an acute care facility.
4. The services in dispute were reduced/denied by the respondent with the following reason codes:
   - B12 – Svcs not documented in patient record
   - 193 – Original payment decision is maintained

Issues

1. Did the requestor submit supporting documentation?
2. What is the applicable rule that determines reimbursement?
3. Is the requestor entitled to reimbursement?

Findings

1. The carrier denied the disputed services (Code 29824) as B12 – "Svcs not documented in patient record." Per 28 Texas Administrative Code §134.210 (a) states, "Medical documentation includes all medical reports and records, such as evaluation reports, narrative reports, assessment reports, progress report/notes, clinical notes, hospital records and diagnostic test results." Review of the submitted documentation finds;
    - Operative report page 7, "The distal clavicle was then resected beginning anteriorly and progressing posteriorly."
    - Operative report page 8, "Addendum: The distal clavicle was resected as described in the operative note. Approximately 8 – 10 mm of the distal clavicle was removed."

    The Carrier's denial is not supported as the submitted documentation supports excision of bone from the distal clavicle/joint. Therefore, these services will be reviewed based on applicable rules and fee guidelines.
2. Per 28 Texas Administrative Code §134.403 (f) states in pertinent part, "The reimbursement calculation used for establishing the MAR shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the Federal Register. The following minimal modifications shall be applied. (1) The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by: (A) 200 percent; unless (B) a facility or surgical implant provider requests separate reimbursement in accordance with subsection (g) of this section, in which case the facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 130 percent." This dispute does not involve implants. The Medicare facility specific amount and applicable outlier shall be multiplied by 200 per cent.
    - Procedure code 29824 has a status indicator of T, which denotes a significant procedure subject to multiple-procedure discounting. The highest paying status T procedure is paid at 100%; all others are paid at 50%. This procedure is paid at 50%. These services are classified under APC 0042, which, per OPPS Addendum A, has a payment rate of $4,259.01. This amount multiplied by 60% yields an unadjusted labor-related amount of $2,555.41. This amount multiplied by the annual wage index for this facility of 0.9549 yields an adjusted labor-related amount of $2,440.16. The non-labor related portion is 40% of the APC rate or $1,703.60. The sum of the labor and non-labor related amounts is $4,143.76. Per Medicare Claims Processing Manual, CMS Publication 100-04, Chapter 4, §10.7.1, if a claim has more than one surgical service line with a status indicator of S or T and any of those lines has a charge of less than $1.01, then the charges for all S and T lines are summed and the charges are divided across those lines in proportion to their APC payment rate. The new charge amount is used in place of the submitted charge amount in the line-item outlier calculation. This claim has a status indicator S or T line item with a billed charge less than $1.01; therefore, all S and T line charges are reallocated accordingly. The APC payment for this service of $2,071.88 divided by the sum of all S and T APC payments of $6,215.64 gives an APC payment ratio for this line of 0.333333, multiplied by the sum of all S and T line charges of $9,524.75, yields a new charge amount of $3,174.91 for the purpose of outlier calculation. The cost of these services does not exceed the annual fixed-dollar threshold of $2,900. The outlier payment amount is $0. The total Medicare facility specific reimbursement amount for this line, including multiple-procedure discount, is $2,071.88. This amount multiplied by 200% yields a MAR of $4,143.76.

3. The total allowable reimbursement for the services in dispute is $4,143.76. This amount is recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is $4,143.76.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of $4,143.76 plus applicable accrued interest per 28 Texas Administrative Code §134.130 due within 30 days of receipt of this Order.

Authorized Signature

		March 19, 2015
Signature	Medical Fee Dispute Resolution Officer	Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, effective May 31, 2012, *37 Texas Register 3833*, **applicable to disputes filed on or after June 1, 2012**.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.